

MEMORANDUM

May 1, 1975

To: ALL HOUSING AND DEVELOPMENT STAFF

From: JANET ROCHE, Director

SUBJECT: PROGRAMMATIC DIRECTION OF THE HOUSING AND DEVELOPMENT DEPARTMENT

I would like to share with you some of my thoughts about what the programmatic direction of the newly-created Housing and Development Department will be. The focus of the Department will be on housing conservation, which I define broadly to include: code inspection and compliance; housing rehabilitation; new development; public improvements and services; preventive maintenance; and a myriad of housing-related services.

A. CURRENT CONSERVATION EFFORTS

The City's current housing conservation efforts consist of the following major projects: The Municipal Loan Program, the Pilot Rehabilitation Program, the Comprehensive Housing Conservation Report, and CETA Programs.

1. The Municipal Loan Program

The concept of this program is one of providing a flexible financing mechanism for the City's rehabilitation efforts. The program is currently being used to provide \$550,000 in loans for participants in the Pilot Rehabilitation Program who are unable to obtain bankable loans. It is providing the basis for an expanded program for use in a City-wide conservation effort. Loans can be for a maximum amount of \$10,000 and can have a maximum loan term of 20 years.

2. The Pilot Rehabilitation Program

This is a demonstration rehabilitation effort which will physically upgrade three pilot areas approximately three blocks each. The principal concepts being tested are: the ability to attract the private sector to areas which they have formerly avoided and encourage them to provide bankable loans with the City providing non-bankable loans; the ability to totally upgrade an area utilizing a voluntary approach; the feasibility of mitigating rent and tax increases; and the ability to have a high level of community participation in a conservation and continuing maintenance program.

Staff assistance is provided to property owners receiving bankable loans as well as owners qualifying for municipal loans.

3. Comprehensive Housing Conservation Report

This is a planning effort which entails an in-depth look at the City's past and current conservation-related activities; assessment of conservation efforts of other cities; development of goals and

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policies to provide a framework for future program development; and development of a long-range comprehensive housing conservation program which also identifies the administrative structure and sources of money to carry it out.

The report will be submitted to the City Council in June of this year.

4. CETA Programs

CETA Programs include the Construction Training Program, Residential Security Program, and programs designed to augment the Pilot Program effort.

B. COMMUNITY DEVELOPMENT HOUSING PROGRAM

The City Council allocated \$1.5 million for a Community Development Housing Program. Principal components of this program are as follows:

1. Expanded Municipal Loan Program ----- \$696,700

The Expanded Municipal Loan Program builds upon the City's current Municipal Loan Program which is presently being utilized exclusively in the Pilot Rehabilitation Areas. The expanded program will provide non-bankable loans to homeowners who desire to rehabilitate their properties but are unable to obtain financing through conventional private sources. The program will provide the City with a capability of addressing a variety of financing problems relating to housing rehabilitation.

During the first year, the Expanded Municipal Loan Program will be utilized to provide rehabilitation loans for the following Housing Rehabilitation Program components:

Neighborhood Rehabilitation Inspection;
Physically Disabled and Seniors Housing Rehabilitation; and
Emergency Repair

2. Neighborhood Rehabilitation Inspection ----- \$ 89,845

This project will design and test a program of systematic inspection of rental properties to replace the existing system. At present, lack of funding makes inspections and follow-up extremely limited. The long-range objective is to seek to obtain maximum compliance with codes of rental units while not placing undue strain on owners or tenants who cannot afford it.

3. Physically Disabled & Seniors Housing Rehabilitation ----- \$ 93,300

The Physically Disabled and Seniors Housing Rehabilitation Component, modeled after the City's former Model Cities Rehabilitation Program, will provide services related to housing rehabilitation (work write-ups, financial counseling, bidding, contract monitoring, etc.) to residents of the Impact Areas who are 62 years of age and older and/or disabled. The program will utilize financing made available through the expanded Municipal Loan Program and will be closely coordinated with the City's CETA Program.

During the first two months of implementation, the Housing and Development Department's Planning Staff will develop criteria for eligibility for participation. The remaining ten months will involve all activities required for qualifying applicants, rehabilitating their properties and providing related services. Approximately 30 owners will be served during the first year.

4. Emergency Repair-----\$ 84,760

This component will advance funds for emergency repairs to residential properties where repairs are needed quickly to correct life-threatening conditions and to prevent further rapid structural deterioration. Where an owner requests emergency assistance and agrees to follow up such assistance with an overall program of housing rehabilitation, funds can be made available to correct the emergency situation. Where owners permit their properties to deteriorate to a hazardous condition, the program may also take steps to make repairs and require code compliance in a reasonable time period in order to insure the continued viability of housing serving low and moderate income households. Tax liens will be filed for advances for emergency repairs. Rehabilitation will be coordinated with other rehabilitation efforts and the Municipal Loan Program.

5. Direct Housing Services-----\$145,000

The Direct Housing Services program element will provide a centralized resource from which citizens can obtain information regarding assistance with certain housing related problems.

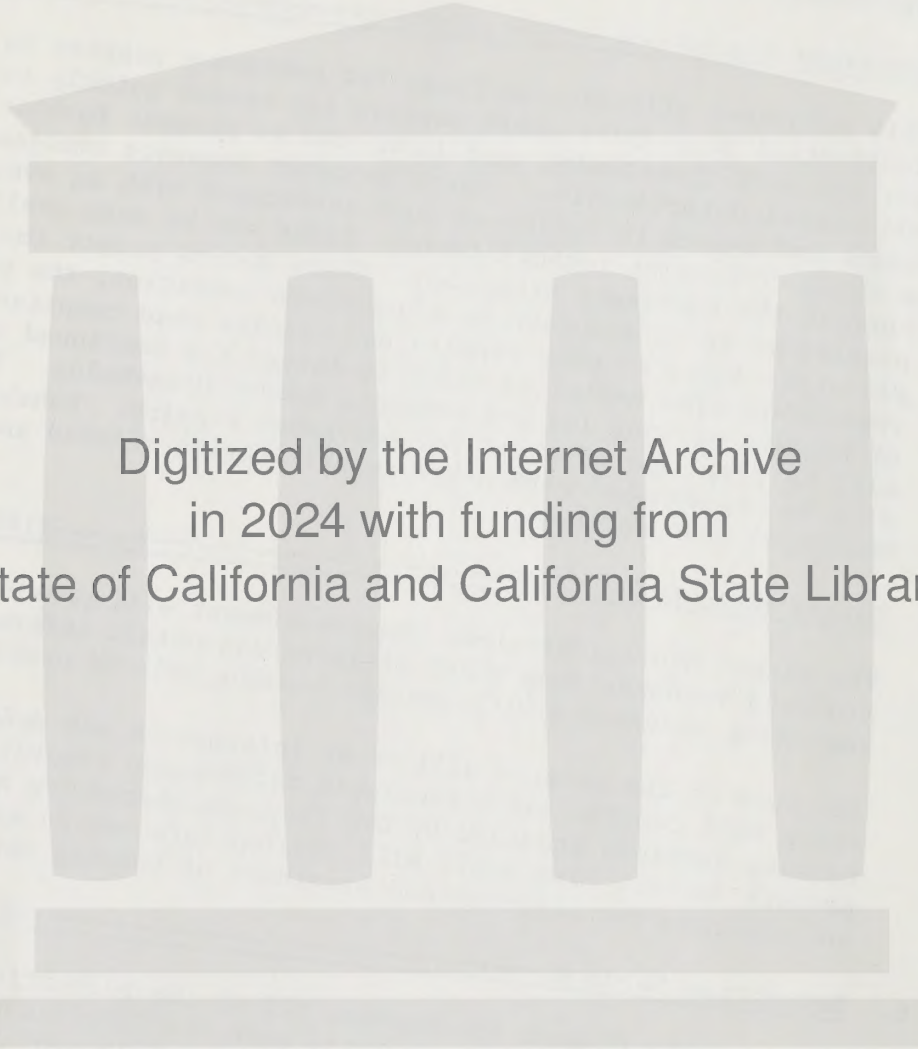
The core of the program will be an information and referral unit which will compile and disseminate information regarding available housing services provided by the City administration and by the private sector. The staff will develop information materials and seminars for consumer and providers of housing services.

6. Relocation Services-----\$192,400

This program element encompasses all of the relocation planning, services, and payments associated with the City's Community Development Program. The services will be planned and implemented by the City's Central Relocation Agency, which is currently within the Berkeley Redevelopment Agency.

C. PROGRAMS BEING PLANNED

There are four major programs in this category: Residential Rental Inspection, Landmarks Preservation, Land Banking, and Prepaid Maintenance.



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1. Residential Rental Inspection

This program will establish a City-wide comprehensive codes inspection and compliance system, including an appeal mechanism, coordination with training and housing service programs, and compliance timetables. The program will be developed within a framework of aiming for maximum compliance while exerting minimum hardship to owners and tenants.

Initial planning will focus on defining enforcement priority categories; development of guidelines for allocating municipal loan funds; a feasibility study of state enabling legislation for deferral of increased property assessments due to code repairs and housing rehabilitation; establishment of enforcement districts; establishment of a demonstration pilot district to test the program approach and development of a data base to ascertain an accurate assessment of the scope of the City's codes problems.

2. Landmarks Preservation

The City Council adopted an Architectural Heritage Ordinance which established the Landmarks Preservation Commission. The initial charge of the Commission is to develop an inventory of historically significant landmarks and sites in the City. On February 26 of this year, the Commission completed its initial list of sites and landmarks.

Planning activities will include development of specific guidelines for restoration of designated sites; development of a program to insure preservation of designated sites; and exploration of alternative sources of funding to facilitate restoration without causing undue hardship to owners.

3. Land Banking Fund

The Land Banking Fund will be used primarily as a resource for replacement housing in conjunction with the City's total rehabilitation effort. It will be a tool for acquiring available sites which, in the future, will be used as relocation sites for residential structures on parcels of land which have been purchased for other public purposes. Additionally, the fund can also be used for development of new housing in conjunction with Section 8 Rent Subsidy. Finally, the fund will be a potential resource for acquiring endangered, historically and architecturally significant structures.

Planning for this program will consist of conducting a feasibility study and developing a program plan.

4. Prepaid Maintenance Fund

The Prepaid Maintenance Fund will be an insurance-type of mechanism whereby property owners will pay a premium (monthly, quarterly, or semi-annually) as insurance to cover future maintenance repair costs.

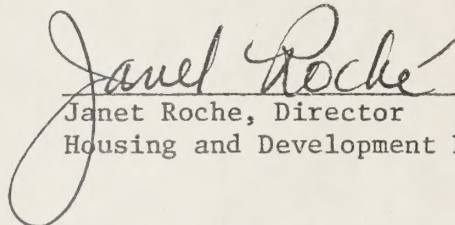
Owners will be able to select from a range of coverages based on the size

(structure type) and condition of the property and the type of repairs to be covered.

This type of preventive maintenance mechanism will provide leverage for the City's rehabilitation efforts with respect to decreasing redlining by lending institutions.

Planning for this program will consist of conducting a feasibility study and development of a program plan based on the findings of the study.

In addition to the above programmatic planning activities, the Department will also be involved in developing a comprehensive management and information system, which will provide us with a capability for accurately assessing the City's housing problems and for assessing the effectiveness of our services delivery system.



Janet Roche, Director
Housing and Development Department

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